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GOVERNOR O'MALLEY AND PORT OF BALTIMORE SIGN 10-YEAR CONTRACT WITH INTERNATIONAL PAPER COMPANY

Contract with UPM Will Keep Current Business and Jobs at the Port

BALTIMORE, MD (December 4, 2008) – Governor Martin O'Malley today, joined by Maryland Transportation Secretary John D. Porcari, Maryland Port Administration (MPA) Executive Director James J. White, and top officials with Finland-based paper manufacturer UPM to sign a new, 10-year contract that guarantees the shipment of UPM paper products through the Port of Baltimore for the next decade.

"Long-term contracts with global companies like UPM are the key in helping to support the thousands of good-paying, family-supporting jobs at the Port of Baltimore," said Governor O'Malley. "Having an internationally-renowned paper manufacturer of UPM's stature to continue to call the Port of Baltimore for 10 more years means 10 more years of guaranteed jobs for the Port's dedicated workforce."

The 10-year contract began October 1, 2008. It marks the first time ever that the Port of Baltimore has signed a forest products customer to a 10-year contract. As part of the agreement, UPM is required to ship a minimum of 3.2 million tons of cargo through the Port of Baltimore over the lifetime of the deal. The new UPM contract will result in 120 direct jobs; \$26 million in wages and salaries; and \$2.7 million in State and local taxes.

"We are pleased to continue bringing UPM products through the number one U.S. port for imported forest products,---the Port of Baltimore," said Angelo LaMantia, UPM's Director of North America Supply Chain. "Baltimore's inland location, outstanding distribution network, and good labor force make it a winning location for UPM cargo!"

UPM is a global forest products group with core businesses in printing papers, specialty papers, label materials and wood products. In its main product areas, UPM is a leading manufacturer in all key markets. Newsprint, magazine paper, telephone books, and high-gloss publications are just some examples of goods produced using UPM products. UPM has production facilities in 15 countries and employs about 26,000 people worldwide. The group's key mills are located in Finland, Germany, France, England, Austria, the United States, and China.

"It is tremendous news to have a company as well-respected globally as UPM agree to continue shipping their products through the Port of Baltimore," said MPA Executive Director James J. White. "I want to thank the management of UPM, including Mr. Sarvikas, Mr. Holsa, and Mr. LaMantia for believing in the Port of Baltimore. We look forward to another decade of successful business together."

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Through the first nine months (January-September) of 2008, imported forest products through the Port of Baltimore's public marine terminals increased five percent over the same time period in 2007. Total general cargo (forest products, containers, cars, roll on/roll off equipment, and steel) through the public terminals was up six percent from its record-breaking previous year.

The announcement of the UPM contract continues a strong year for the Port of Baltimore. Other highlights include:

- Carnival Cruise Lines and Celebrity Cruises joining Royal Caribbean International and Norwegian Cruise Line in providing cruises in 2009 from Baltimore. Carnival will begin the Port of Baltimore's first-ever year-round cruising program in April. The Port of Baltimore will have 79 cruises in 2009, a substantial increase from 27 in 2008.
- A new roll on/roll off (farm and construction equipment) export service to West Africa and Europe.
- A new 10-year contract with container shipping giant Evergreen Marine.
- A groundbreaking for the Masonville Cove environmental education center. The center is part of an environmental restoration project that is transforming one of Baltimore Harbor's most contaminated sites into an area that will benefit wildlife, local residents and the port industry.

The Port of Baltimore provides employment for about 16,500 workers. Out of about 360 U.S. ports, Baltimore is ranked number one for handling imported forest products, roll on/roll off cargo, trucks, exported autos, and imported gypsum, sugar and iron ore. The Port of Baltimore is ranked 13th nationally for total foreign cargo tonnage and 12th for total dollar value of cargo. In 2006, the Port was responsible for \$3.6 billion in personal wage and salary income. Activities at the Port of Baltimore generated \$388 million in state and local taxes.

As a result of its outstanding work to increase U.S. exports, the Maryland Port Administration (MPA), which oversees the public terminals at the Port of Baltimore, was honored in 2007 with the Presidential "E" award. The award was created in 1961 to recognize persons, firms, or organizations that contribute significantly to increase U.S. exports. The MPA was awarded this special distinction for its increased export business over the last several years. The MPA, which also won the "E" award in 1964, is only the 23rd port organization out of 360 total ports in the U.S. to win the highly acclaimed recognition. It is only the fourth port to win the award twice.

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